

Served: December 4, 2000



**UNITED STATES OF AMERICA  
DEPARTMENT OF TRANSPORTATION  
OFFICE OF THE SECRETARY  
WASHINGTON, D.C.**

Issued by the Department of Transportation  
on the 4<sup>th</sup> day of December, 2000

Joint application of

**PARADISE ISLAND AIRLINES, INC.  
and  
POTOMAC AIR, INC.**

for approval of a transfer of commuter authority under 49  
U.S.C. 41105

**Docket OST-00-7920**

**FINAL ORDER**

By Order 2000-11-22, issued November 17, 2000, we directed all interested persons to show cause why we should not make final our tentative findings and conclusions stated in it and (1) find that Potomac Air, Inc. d/b/a US Airways Express is a citizen of the United States and is fit, willing, and able to engage in scheduled passenger operations as a commuter air carrier, and (2) transfer to Potomac Air the commuter authority currently held by Paradise Island Airlines, Inc.

Interested persons were given 14 calendar days to file objections to the order.

No objections to the show-cause order were received.

**ACCORDINGLY,**

1. We find that Potomac Air, Inc. d/b/a US Airways Express is fit, willing, and able to engage in scheduled passenger operations as a commuter air carrier.

2. We transfer to Potomac Air, Inc. d/b/a US Airways Express, and reissue in the form and subject to the Terms, Conditions, and Limitations attached, the commuter authority held by Paradise Island Airlines, Inc. (Order 81-11-60, served issued November 12, 1981)<sup>1</sup>

3. We will serve a copy of this order on the persons listed in Attachment A.

By:

**FRANCISCO J. SANCHEZ**  
Assistant Secretary for Aviation  
and International Affairs

(SEAL)

*An electronic version of this document is available on the World Wide Web at:  
<http://dms.dot.gov>*

---

<sup>1</sup> At the time it received commuter authority, Paradise Island Airlines was known as Chalk's International Airlines.



## **Commuter Air Carrier Authorization**

**POTOMAC AIR, INC.  
d/b/a US AIRWAYS EXPRESS**

**is authorized, subject to the provisions of Subtitle VII of Title 49 of the United States Code, the orders, rules, and regulations issued thereunder, and the attached Terms, Conditions, and Limitations, to engage in scheduled passenger air transportation operations as a commuter air carrier.**

**This authorization is not transferable without the approval of the Department of Transportation.**

**By Direction of the Secretary**

**Issued by Order 2000-12-3  
On December 4, 2000  
Effective on (see attached)  
Affairs**

**Francisco J. Sanchez  
Assistant Secretary for  
Aviation and International**



## Terms, Conditions, and Limitations

**POTOMAC AIR, INC.**  
**d/b/a US AIRWAYS EXPRESS**

is authorized to engage in scheduled passenger air transportation operations as a commuter air carrier.

This authority is subject to the following provisions:

- (1) The authority to conduct scheduled passenger operations will not become effective until six (business) days after the Department has received the following documents; provided, however, that the Department may stay the effectiveness of this authority at any time prior to that date:
  - (a) A copy of the holder's Air Carrier Certificate and Operations Specifications authorizing such operations from the Federal Aviation Administration (FAA).
  - (b) A certificate of insurance on OST Form 6410 evidencing liability insurance coverage meeting the requirements of 14 CFR 205.5(b) for all of its aircraft.
  - (c) A statement of any changes the holder has undergone in its ownership, key personnel, operating plans, financial posture, or compliance history, since the date of the Show Cause Order in this case.
  - (d) A revised list of pre-operating expenses already paid and those remaining to be paid, as well as independent verification that the holder has available to it funds sufficient to cover any remaining pre-operating expenses and to provide a working capital reserve equal to the operating costs that would be incurred in three months of operations.
- (2) Pending receipt of effective authority, the holder may not accept payment of any kind (i.e., cash, check, or credit card) or issue tickets for scheduled passenger operations, and any advertisement or listing of flights by the holder must prominently state: "This service is subject to receipt of government operating authority."
- (3) The holder shall at all times conduct its operations in accordance with the requirements of 14 CFR Part 298 and any other regulations prescribed by the Department of Transportation for the services authorized here, and with such other reasonable

terms, conditions, and limitations as the Department of Transportation may prescribe in the public interest.

(4) The holder may not operate aircraft designed to have a maximum passenger capacity of more than 60 seats or a maximum payload capacity of more than 18,000 pounds.

(5) The holder's authority is effective only to the extent that such operations are also authorized by the FAA, and comply with all FAA requirements concerning security.

(6) The holder shall at all times remain a "Citizen of the United States" as required by 49 U.S.C. 40102(a)(15).

(7) The holder shall maintain in effect liability insurance coverage as required under 14 CFR Part 205. Failure to maintain such insurance coverage will render this authority ineffective, and this or other failure to comply with the provisions of Subtitle VII of Title 49 of the United States Code or the Department's regulations shall be sufficient grounds to revoke this authority.

(8) The holder shall maintain in effect at all times with the Department of Transportation current information on OST Registration Form 4507.

(9) In the event that the holder receives effective scheduled passenger authority, the following additional conditions will apply:

(a) The holder may reduce or terminate service at any point or between any two points, subject to compliance with the provisions of 49 U.S.C. 41734 and all orders and regulations issued by the Department of Transportation under that section.

(b) The holder may not provide scheduled passenger air transportation to or from Dallas (Love Field), Texas, except within the limits set forth in section 29 of the International Air Transportation Competition Act of 1979, as amended by section 337 of the Department of Transportation and Related Agencies Appropriations Act, 1998.

(10) Should the holder propose any substantial changes in its ownership, management, or operations (as that term is defined in 14 CFR 204.2(l)), it must first comply with the requirements of 14 CFR 204.5.

(11) In the event that the holder does not commence actual flying operations as a commuter air carrier under this authority within one year of the date of the Department's determination of its fitness, its commuter authority shall be revoked for

dormancy. Further, in the event that the holder commences but subsequently ceases all scheduled passenger operations, the authority granted here shall be suspended under the terms of 14 CFR 204.7 and the holder may neither recommence nor advertise such operations unless its fitness to do so has been redetermined by the Department. Moreover, if the holder does not resume such operations within one year of its cessation, its commuter authority shall be revoked for dormancy.

**SERVICE LIST FOR POTOMAC AIR, INC.  
DOCKET OST-00-7920**

JOHN LEONARD  
PRESIDENT POTOMAC AIR INC  
2345 CRYSTAL DRIVE  
ARLINGTON VA 22227

JOEL STEPHEN BURTON  
DONALD T BLISS  
COUNSEL FOR POTOMAC AIR INC  
O'MELVENY & MYERS LLP  
555 13<sup>TH</sup> ST NW STE 500W  
WASHINGTON DC 20004

BERT W REIN  
EDWIN O BAILEY  
COUNSEL FOR AIRTRAN AIRWAYS  
WILEY REIN & FIELDING  
1776 K ST NW  
WASHINGTON DC 20006

RICHARD P MAGURNO  
SR VP & GEN COUNSEL  
AIRTRAN AIRWAYS INC  
9955 AIRTRAN BLVD  
ORLANDO FL 32827

NICHOLAS A SABATINI  
MGR FLIGHT STANDARDS DIV  
FAA AEA200  
EASTERN REGION HDQ  
JFK INTL AIRPORT  
FITZGERALD FED BLDG  
JAMAICA NY 11430

LORETTA E ALKALAY  
REGIONAL COUNSEL  
FAA AEA7  
EASTERN REGION HDQ  
JFK INTL AIRPORT  
FITZGERALD FED BLDG  
JAMAICA NY 11430

MANAGER FSDO 07  
FEDERAL AVIATION ADMIN  
890 AIRPORT PARK RD STE 101  
CROMWELL BUSINESS PARK  
GLEN BURNIE MD 21061-2559

AMERICAN ASSOC OF AIRPORT EXEC  
4224 KING STREET  
ALEXANDRIA VA 22302

RICHARD DUTTON AFS-900  
ASST MANAGER CSET  
FAA  
45005 AVIATION DR STE 203B  
DULLES VA 20166-7537

PETER LYNCH AGC-300  
ASST CHIEF COUNSEL FOR ENFORCEMENT  
FEDERAL AVIATION ADMIN  
800 INDEPENDENCE AVE SW  
WASHINGTON DC 20591

DONALD BRIGHT K-25  
OFFICE OF AIRLINE INFO  
DEPT OF TRANSPORTATION  
400 SEVENTH ST SW  
WASHINGTON DC 20590

ALLEN MUTEN  
AST TREASURER STE 800  
AIRLINES REPORTING CORP  
1530 WILSON BLVD  
ARLINGTON VA 22209

JD MEALOR  
AIRLINE DATA COORDINATOR  
INNOVATA LLC  
3915 OLD MUNDY MILL ROAD  
OAKWOOD GA 30566-3410

JONI MOUNT  
PRODUCT MANAGER  
TRANSPORT PRINT PRODUCTS  
OFFICIAL AIRLINE GUIDES  
2000 CLEARWATER DR  
OAK BROOK IL 60521

JIM ZAMMAR  
DIR OF REV ACCOUNTING  
AIR TRANSPORT ASSOC STE 1100  
1301 PENNSYLVANIA AVE NW  
WASHINGTON DC 20004

